

Office of Child Support
Enforcement (OCSE)
Action Transmittal

U.S. Department of
Health and Human Services
Administration for Children
and Families
Washington, DC 20447

Transmittal No. OCSE-AT-96-04

Date: February 20, 1996

Program Instruction

TO: STATE AGENCIES ADMINISTERING CHILD SUPPORT
ENFORCEMENT PLANS UNDER TITLE IV-D OF THE SOCIAL
SECURITY ACT AND OTHER INTERESTED INDIVIDUALS

SUBJECT: Guidance on Advance Planning Document (APD)
requirements to meet the automated child support
enforcement system provisions of the Family
Support Act of 1988 as amended by P.L. 104-35.

BACKGROUND: Public Law 104-35 extended by two years, until
October 1, 1997, the deadline for States to have
in effect an operational automated data processing
and information retrieval system for child support
enforcement. It did not extend the authority for
enhanced funding to complete those systems.

PURPOSE: The purpose of this Action Transmittal (AT) is to
provide guidance and information as it relates to
the extension of the deadline for State's having
an operational, statewide automated Child Support
Enforcement system. This AT provides guidance on:

- APD requirements
- Funding considerations
- Certification of CSE systems
- Cost benefit reporting
- Program regulations affected by
extension of the deadline

INQUIRIES TO: Office of Regional Operations and State
Systems/Office of State Systems.

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Deputy Director

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Office of Child Support
Enforcement

Office of Regional Operations
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APD SUBMISSION REQUIREMENTS

The APD submission requirements for a computerized support enforcement system described under 45 CFR 307.10 and the document entitled "Automated Systems for Child Support Enforcement: A Guide for States" have not changed. However, the extension of the deadline until September 30, 1997 necessitates that States must submit either an As-needed or Annual APD update within 90 days of the issuance of this AT that includes an updated schedule, budget and cost/benefit analysis demonstrating that the system will be completed and in operation by October 1, 1997.

ELIMINATION OF ENHANCED FEDERAL FUNDING

P.L. 104-35 did not extend the authority for enhanced funding for automated statewide child support enforcement systems after September 30, 1995. Authority for enhanced funding ended by operation of law on September 30, 1995. For the purpose of determining the proper FFP rate for any expenditure, regulations at 45 CFR 304.25(a), provide that "expenditures are considered to be made on the date on which the cash disbursements occur or the date to which allocated...." **Only those expenditures occurring before October 1, 1995 are eligible to be claimed at the enhanced rate.**

Any enhanced funding previously approved by ACF but not expended before October 1, 1995 automatically reverts to reimbursement at regular match rate. Funds previously approved by ACF at enhanced rate need not be re-submitted for approval again. However, States' APD revised budgets should reflect this change in FFP rate. To assist ACF in reviewing the APD's, please carefully delineate between the amount of new funding that you are requesting and the amount of previously approved enhanced funding that will now be expended during a different timeframe and thus claimed at the regular FFP rate.

States are reminded that any approved enhanced funds expended prior to October 1, 1995, may be claimed under section 1132 of the Act and implementing regulations at 45 CFR Part 95, Subpart A for a period of 2 years from the end of the quarter in which expenditures were made. Therefore, expenditures made but not claimed prior to October 1, 1995, may continue to qualify for FFP at the enhanced rate after that date if claimed in accordance with section 1132 and

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implementing regulations.

States that requested a deviation from this standard treatment of expenditures in accordance with Action Transmittal 95-03 to preserve their right to claim contractual holdbacks at the 90% FFP rate, were granted permission to escrow these funds. However, States are reminded that the amount that they can claim at the 90% FFP rate is limited to contractual holdbacks, not unexpended funds for contract deliverables disbursed after September 30, 1995.

SYSTEM CERTIFICATION

Since the deadline for States to install a statewide automated CSES systems has been extended, ACF continues to encourage an optional two-level system certification process. Level 2 (statewide & fully operational) reviews should be requested after the CSE system has been implemented statewide and Level 1 (pilot site) reviews can be requested after the CSE system has been implemented in at least one pilot site. On-site technical assistance and functional reviews of the CSE application using test data may also be requested by States.

Prior to ACF scheduling a review date for either Level 1 or Level 2 reviews, documentation must be submitted that provides conclusive evidence that the system meets all the requirements for certification under the Family Support Act of 1988. This documentation includes the State's responses to the Child Support Systems Certification Questionnaire, (revised August 1993) and the Financial Test Deck results (revised September 1995).

COST BENEFIT REPORTING

As States begin operation of their automated child support enforcement systems, either on a pilot basis or under phased approval, we remind States that 45 CFR 95.605(3)(a)(vii) requires that the cost-savings be submitted 2-5 years after statewide operation until the Department determines projected cost-savings have been achieved. ACF's guide, *Feasibility, Alternatives and Cost/Benefit Analysis* and its *Companion Guide, Cost/Benefit Analysis Illustrated* are available from ACF.

PROGRAM REGULATIONS AFFECTED BY EXTENSION OF THE DEADLINE

Currently, Federal regulations at 45 CFR 302.54(c)(1)(i)

permit the Office to grant a waiver to allow a State to issue a notice of collection of assigned support on a quarterly rather than on a monthly basis. Under this requirement, a waiver may be in effect until September 30, 1995 when a State does not have an automated system that performs child support enforcement activities consistent with 45 CFR 302.85 or has an automated system that is unable to generate monthly notices. In addition, Federal regulations at 45 CFR 303.100(g)(3) provide that effective October 1, 1995 the State must be capable of receiving withheld amounts and accounting information which are electronically transmitted by the employer to the State.

The date in each of these regulatory provisions is based on the October 1, 1995 deadline established in the Family Support Act of 1988 for having in effect an operational automated data processing and information retrieval system for child support enforcement. Since P.L. 104-35 has extended until October 1, 1997 the deadline for having in effect a Statewide CSES, the Administration for Children and Families published a proposed rule in the Federal Register on January 29, 1996 (61 FR 2774) that would revise these provisions to reflect the new deadline.